[श्री विट्ठलराव माधवराव जाधव]

चाहिए। बहुत से उद्योग ऐसे है जिन्हें देहाती लोग बड़े पैमाने पर कर सकते है। उनके कारखाने शहर में लगवाये जाते है तो मैं चहाता हूं कि सरकार जैसे उसने अपनी एक कपड़ा नीति बनाई है, इंडस्ट्रियल पालिसी बनाने जा रही है, ग्रामीण उद्योगो के लिए भी ऐसी पालिसी सरकार को बनानी चाहिए और उसी लिहाज से जो वित्त संस्थाएं इस देश मे मौजद हैं, उनको ऐसी दिशा देनी चाहिए कि वे अपना पैसे का योगदान इनवैस्टमेंट पापुलेशन की बेसिस पर करें। परसेंटेज आफ पापुलेशन की बेसिस पर करें। जहां से 70 प्रतिशत लोग देहातों से आते है वहां 70 प्रतिशत उद्योग लगने चाहिए चाहे कृषि उद्योग हो, चाहे टैक्नालाजी या इंजीनियरिंग के उद्योग हों, चाहे टैक्नीकल ऐजुकेशन के ऐडवांसमेंट के लिए हो, इसी बेसिस पर हमारे देश में वित्त का बंटवारा होना चाहिए। जब तक हम ऐसा नही करेंगे तब तक हम रे देश में समाजवाद नहीं आ सकता। तो जो सामाजिक और आर्थिक परिवर्तन इस देश में होना है, उसके लिए हमें अपनी आर्थिक और सामाजिक नीति बनानी चाहिए। इस उद्देश्य के लिये जो बिल यूनिट ट्रस्ट आफ इंडिया का है, मैं उसका स्वागत करता हूं। हमारी बहन कनक मुखर्जी उसका बड़ा विरोध कर रही थी। मुझे बहुत ही आश्चर्य होता है कि जो विनेन्द्रीकरण होने जा रहा है तो कम्यूनिस्ट लोग जो खुद को बड़ा रेडिकर समझते हैं वह उसका विरोध करते है। पता नहीं यह क्यों है? मुझे लगता है कि उनको डर है कि कांग्रेस हमसे बहुत आगे जा रही है विचारों में, प्रगति में, आगे जा रही है, इस लिए उसका वे विरोध करते है। मुझे इसके बारे में एक शेर याद आता है —

"इक हूक सी उठती है दिल में,
इक दर्द जिगर में होता है।
मैं रात मे उठकर रोता हूं,
जब सारा आलम सोता है।"

ऐसी हालत आज विपक्ष वालों की है। तो जो अच्छी चीजें है उनका उनको अनुकरण करना चाहिए।

उनको सरकार को सपोर्ट करना चाहिए और मेरे दोस्त विश्वनाथ प्रताप सिंह और पुजारी साहब आर्थिक नीतियों मे मूलभूत परिवर्तन लाने के लिये जो यह बिल लाये है उसका हम सब को समर्थन करना चाहिए।

इन शब्दो के साथ मैं इस बिल का समर्थन करता हूं।

THE DEPUTY CHAIRMAN: The House is adjourned for lunch till 2.30.

The House then adjourned for lunch at thirty-one minutes past one of the clock.

The House reassembled after lunch at thirty-two minutes past two of the clock. **The Vice-Chairman (Shrimati Kanak Mukherjee)** in the Chair.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) FOR THE YEAR 1985-86 (NOVEMBER, 1985)

THE VICE-CHAIRMAN (SHRIMATI KANAK MUKHERJEE): The hon. Minister, Shri Poojari, will lay on the Table of the House a statement showing the Supplementary Demands for Grants for the year 1985-86.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Madam, I beg to lay on the Table a statement (in English and Hindi) showing the Supplementary Demands for Grants (General) for the year 1985-86 (November, 1985). [Placed in Library. *See* No 1508|85]

THE UNIT TRUST OF INDIA (AMENDMENT) BILL, 1985—Contd.

SHRI SUSHIL CHAND MOHUNTA: (Haryana): Madam, my name was called, but I was not here at that time. So, I crave your indulgence.

THE VICE-CHAIRMAN (SHRIMATI KANAK MUKHERJEE): You will be called afterwards. Shri Matto.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Madam, Vice-Chairman, I rise to support the Bill, the Unit Trust of India (Amendment) Bill, 1985, as presented by Mr. Poojari. However, I have to make certain observations and would like that the Minister may kindly note all the observations that I am going to make. The first object of the Bill was and I quote:

> "The Unit Trust of India has been functioning for over two decades now. It has received the acceptance of the investors and has grown substantially in stature and strength."

Further it say:

> "With its growth, it has to better utilise the resources it mobilises and generate income and profits through a variety of investment activities."

Madam Vice-Chairman, it has been made out in this House that so far the investment that has been made has been made in the corporate sector and very little investment has been made in other spheres. As everybody is aware, there are so many agencies of the Government of India like the IDBI, IFC, ICICI and LIC which can provide and do provide finances to the corporate sector and other industries. However, ther are certain sectors in which the Unit Trust of India funds must be invested. I would make only two suggestions to the hon. Minister and would request him that these two sectors are very much wanting to get money and they must be provided money from the Unit Trust of India. One is the Energy Sector. The Energy Sector is starved of finances I can give my own example. The State of Jammu and Kashmir can generate 13000 megawatts of power.

But they are not able to generate because of the constraints of finances by the Union Government. I would request him that, as a first step, he may earmark for the year 1985-86 a sum of about Rs. 400 crores for the energy sector. The second sector to which I would draw the attention of the hon. Minister is the railways. As has been said here many a time, we are starving our railways, we are not able to expand our railways and we are not even able to replace our old used wagons because of the constraints of finances. For instance, for a 59 km line, railway line, from Jammu to Udhampur, the allocation is only about a crore of rupees per year and that would take 59 years to complete 59 km line. So, I would suggest to him that for this current year at least Rs. 200 crores should be earmarked for the railways. Why I have taken these two sectors alone into account is because both these sector can generate back the amount to the Unit Trust of India in time. The railways have a daily income of about Rs. 14 crores and so this amount which you will pay to them, which you will lend to them, will come back in instalments and you will have no trouble. Simiarly, in the case of generation of power, when the power is generated, of course it will need some gestation period, but after that period, you can even take some profit out of the sale of that electricity and thereby these sectors can be helped by the Unit Trust of India funds.

The second point that I have to make is with regard to section 14A of the amended Act. Now, section 14A states "That the Chairman may take such action in respect of that matter as he deems necessary and for such purpose he may exercise all powers and do all acts and things which may be exercised or done by the Board but in every such case he shall, as soon as may be after the action is taken make a written report to the board containing a statement of the action taken and the circumstances under which it was taken" I think making of such a provision needs to be exercised with great caution. By this clause the Chairman has been empowered with the powers of the entire board. I can understand if such a power is to be exercised only in respect of the day to day administration of the board, in respect of some actions which are needed to be taken by the chairman, then he can do it. But the main function of the board of directors

[Shri Ghulam Rasool Matto—*Contd.*]

and the Unit Trust of India is the investment of funds. Under this Act, I have to caution the Government that the Chairman may exercise these rights and powers and sanction certain loans, which are otherwise beyond his competence. So these things should be made clear to him. Apart from that the guidelines should be issued by the Ministry of Finance that these powers that have been conferred under this Act on him are confined only to administrative and other matters and in no case can these apply to any investment proposal because an investment proposal is not such an urgent thing which needs that urgent an action and cannot wait till the board meets. This is an important provision because this provision can be misused by any chairman in the matter of disposal of funds which have been so assiduously built to the extent of Rs. 2,100 crores. So, it is imperative that these guidelines must be issued. The second point that has been mentioned in this clause is that after the action has been taken, the chairman may make a written report to the board. I think what the guideline should be is that immediately after any action is taken by the chairman in his capacity as the chairman under this Act, he should report that action to the individual directors and not to the board. Suppose he takes an action today. The next board meeting may take place after three months In that case the board will know of the action taken only after three months. But if he takes an action today and he immediately informs the individual members of the board that such and such an action has been taken by him, the member of the board or the directors of the board can think about it and in the next board meeting, the action taken by him can be ratified by the board and he will have the opportunity to offer his comments before it.

This is a very important point which may kindly be taken into consideration by the Government.

Madam Vice-Chairman, I would also like to request the hon. Minister that if, for any reason, the two proposals which I have made, regarding investment of Unit Trust of India's funds in railways and in the energy sector, are not immediately conceded, then, he should take due care to see that the funds to be given are given to the backward areas and to the small-scale industries so that a fair share of the investible funds of the Unit Trust of India are channelised to the small-scale sector as well as to the small investors. This is very important because out of this Rs. 1,054 crores only Rs. 19 crores odd have been given to these sectors, so far. That is why, I would request the hon. Minister to see that guidelines are issued to the Chairman of the Unit Trust of India, directing them that they should invest a fair share of the funds in the small-scale sector. With these observations, I support the Bill.

SHRI JAGESH DESAI (Maharashtra): Madam Vice-Chairman, I would like to recall that when this Bill, the original Bill, was discussed in 1963, a pointed question was asked of the then Finance Minister, late Shri T. T. Krishnamachari, as to how much money he expected to be generated from this scheme. He said, his ambition was to generate Rs.100 crores every year. At that time, Mr. M. R. Masani and other said that the public sector was making losses and they expressed the view that not even half per cent divident will be given by the Unit Trust of India. Madam, we have to examine the progress and achievements of the Unit Trust of India with this background in mind. Madam, you will see that the sale of units, in 1983-84, in one single year, rose to Rs. 330 crores. In 1982-83, it was Rs. 167 crores. This means, there has been an increase of 98 per cent in only one year. The gross income of the Unit Trust of India in the year 1983-84 was Rs. 142.64 crores, whereas, in the earlier year, 1982-83, it was Rs. 101.69 crores. This means, the gross income has gone up by 40 per cent in only one year. Then again, you will find that the dividend declared, by the Unit Trust of India has also gone up. As has been pointed out by the hon.

Minister, in the year 1984-85, it was 14.25 per cent. Madam, here, I would like to point out to the hon. Minister that this scheme has not been taken to the villages, to the rural areas. We have to explain to the people in the villages, that this 14.25 per cent is equivalent to 20 per cent return on investment. This is because, up to Rs. 3,000 of the Unit Trust dividend is exempt from income-tax. This means, if you are getting Rs. 2,850 as return, it amounts to Rs. 4,000. Whereas, if you are investing in the companies belonging to the Tatas and Birlas, even if they give 16 per cent. you have to pay 30 per cent income-tax if your slab is 30 per cent. That is why, I would suggest that this should be explained to the people that it is not 14.25 per cent which they are getting, but 20 per cent. If this is explained to the people in the villages, I am sure, the sale of units which is of the order of Rs. 330 crores now may go upto as much as Rs. 1,000 crores every year.

Secondly, I am surprised and astonished to find that there are only 64 representatives, Chief representatives, in the whole country. Only 101 districts are covered. Why are not all the districts of the country covered? You may not have offices but you can have your chief representative in every district. You are now having good profits. You are generating more resources. So, even if some expenses are to be made on this account it will be beneficial not only for the Unit Trust but for the nation.

I have given these figures, but I am very much disturbed on one account. This Unit Trust was founded for mobilising resources from middle income group and small income group. It has done good business, but what about the investment? This is a public sector undertaking. The Communist member at the time of discussion in the Lok Sabha in 1963 rightly pointed out that this was a public sector but the profit will only go to the Unit holders. Yes, the profit must go to them because they are investing, but the resources so generated must be utilised for public purposes, for the industries. And that is not being done here. I am surprised at the policy of the Unit Trust regarding their investment. Out of Rs. 1261.33 crore investible funds in 1983-84 a meagre amount of only Rs. 50 crores has been given to the public sector. All the 95 per cent have been given to private sector. Are they going to build up the private sector at the cost of the public sector? This amount is realised from the small people and the benefit should go to the small people, to the middle income people and to the common man of this country. If that is not done, I feel the desired results for which this Unit Trust was established will not be achieved. Only in one year the investible funds were Rs. 1261 crores in 1983-84. In 1982-83 it was Rs. 870 crores. So, in one year you have generated Rs. 391 crores. Why was this amount of Rs. 391 crores not given to public sector? This is my question to the Minister. In one year itself there is so much excess investment. This you could have given to them, but you have diverted it to the private sector and here lies the hitch. Why is it happening like this We have to find out what the investment plicy of the Unit Trust is. Madam, this Unit Trust is a very viable institution. The reserves have gone up to Rs. 100 crores. This includes the premium reserves and the general reserves.

As regards the working of the Trust, I have nothing to say. They have done a very good work. Not only that, the expense ratio is also only 1 per cent. All the time we have been speaking of the losses in public sector. There are white elephants there but here the expense ratio is only 1 per cent of the revenue worth crores of rupees. Here they are doing very well. They have checked their expenses.

[Shri Jagesh Desai]

Only my point is, they have to see that these investments are done in the public sector. This is where the Minister must intervene. Some people say that it should be given for water schemes etc. But it is a Trust created for the benefit of the unit holders. Who has given the initial amount of Rs. 5 crores? It is the public sector institutions like the Reserve Bank of India, Life Insurance Corporation and the nationalised banks which were initially in the private sector but then became the public sector. So, this was built up with the people's money and the fruits should also go to the people, they should get the returns. Invsetment should be make in such projects from where you can generate more resources. Such units are there in the public sector. There are about 50 such industries, such as HMT, etc., they are doing good work.

Why can't they put the deposits in these public sector industries? Madam, I was surprised to find that Rs. 133.53 crores are put in unsecured deposits, in short-term deposits in the private sector. Why? Why can't these deposits be placed in the public sector? This is my question. I am not able to understand the policy of the Unit Trust regarding investment. You are only helping the private sector at the cost of public sector, at the cost of people's money and this is what you have to remedy.

I will now talk about the amendment which has been put. Section 14A has been added. I am surprised that you want to give wide powers to the Chairman. In the year 1983-84, there were nine meetings of the Board of Trustees, and only eight meetings of the Executive Committee. The Executive Committee has to take stock of weekly affairs, they have to discuss what has happened, but only eight meetings were held. Instead of giving powers to the Chairman, these powers should be given to the Executive Committee. Out of four, if I am not mistaken, three are in Bombay. You can call the meeting of the Executive Committee at short notice. Only in the morning you give notice and in the evening you can hold the meeting. I do not know why you want to give powers to the Chairman. I am very much doubtful about that. The powers are so wide according to me that they maybe misused. Let there be a common thinking at least among the Executive Committee members. If you cannot wait till the Board meeting, let it be discussed in the Executive Committee meeting and then you decide; instead of giving those powers to the Chairman. I am very unhappy about this clause. You are not taking advantage of the Executive Committee and you are giving powers to the Chairman. I do not know what the compelling reasons were for the Government to come forward with this amendment. You should try to see that it should be done through the Executive Committee and not by the Chairman

Further, the definition is still there that the deposits can be in the scheduled banks. This was enacted in 1963. After that banks were nationalised. I would request the Minister that the deposits should be given to the nationalised scheduled banks and not all scheduled banks. Why should they be given this kind of benefits? It should be given to the nationalised banks. Madam, I am surprised that till today, Rs. 5 crores were given by the Reserve Banks, LIC and the others, they are getting dividend at 11.5 per cent. They were the originators, they were, what you call, the promoters and the promoters always get more benefit than the others. But here reverse is the case. They are getting 11.5 per cent and other unit-holders are getting 14.5 per cent. Why? This has to be remedied. If necessary, the Act should be amended to see that they also get the same dividend as the Unit Trust holders are getting.

Madam, as regards investment, you have to see that we must make it useful for our public sector. Public sector is wanting funds. We want to see our public sector grow. As such I would like the hon. Minister to give guidelines how much percentage is required by public sector. They should see what is the need of the public sector and after giving that money, then only the private sector should be given. First of all, our public sector should not be starved of funds. As such I would like

the hon. Minister to give guidelines. Who are the members of this Board? I have found from Section 13(2) that Reserve Bank can nominate some trustees, the Development Board can nominate some trustees but it is not necessary that they should be from the bank. It could be outsiders. Is it the view of the Government that the Reserve Bank or others may appoint some industrialists? What will happen then? They will only invest the money where the private industries could grow. That is why I would like the hon. Minister to see that this section is amended.

If the development bank officers are not there, the bank can appoint somebody else who is an outsider. Then, I think, the whole purpose for which this Act was enacted shall be lost. Under section 13(2), it is mentioned that if the trustee nominated by the Reserve Bank of Indit is an outsider he can resign. That means you can appoint an outsider. Therefore, I would like to know from the Honourable Minister, who are the trustees of the Unit Trust of India as on today? Are there anybody from outside? Are there any representatives from RBI or IDBI?

I think there should be a separate committee for investment of U.T.I. funds. In th's committee, the Government should appoint those eminent persons who are committed to public sector so that the U.T.I. funds can be utilised for public utility projects like State Road Transport Corporations, Municipalities, etc. The State Road Transport Corporations are borrowing loans at the rate of 14 or 15 per cent interest. U.T.I. can provide them loan. Why U.T.I. should give loan to outsiders?

In Maharashtra when I was having that Ministry with me, we were taking money in the form of fixed deposits from the outsiders. In our country many State Road Corporations are there who require finance. The U.T.I.. can provide finance to such public sector undertakings.

Madam, as I said earlier, the working of the U.T.I. is excellent. They are doing good work. But UTI branches should also be set up in the villages. We have to mop up large resources. but not just Rs. 300 crores. During Shri Krishnamachari's days this ambition was there. At that time, Shri Masani and others have said that this will be a failure. This shows that the public sector can do and it can show the results. Indeed, the Unit Trust of India have done it. That is why, I compliment the U.T.I. management for their excellent work. But as regards the UTI's basic policy of advancement and investment, they should have a second thought.

Madam, with these few words, I support the Bill. Thank you.

SHRI SUSHIL CHAND MOHUNTA: Madam Vice-Chairman, though I would commend the work of the Unit Trust of India yet I would hasten to add that this is an idea which we borrowed from other countires half-heartedly. In other countries also there are Unit Trusts. But there is no monopoly by these Unit Trusts in foraign countries. There are a numebr of Unit Trusts in the United Kingdom as well as in the United States of America. Whereas in India we have monopoly business by UTI. In our country we have nationalised banks and they could have also done this work as efficiently as is being done by the present management. There could have been a number of Unit Trusts. When there are more Unit Trusts, the participation of people from all walks of life and all strata of society could have been ensured. Then, the purpose of these Unit Trust would have been much better. Had there been a proper competition amongst themselves—it might have been still better than the achievement which you are showing to us about Unit Trusts. I cannot understand what would be the problem—if instead of one Trust we would have had more Unit Trusts. So, I would first of all, commend and suggest to the Honourble Minister that he should bring forward immediately an amendment allowing other Unit Trusts to be created so that there can be a healthier competition. Then, we can have the best out of the lot which would be vying with each other for better results.

[Shri Sushil Chand Mohunta]

Madam, we can find that the Unit Trust idea has not percolated down to the lowest level in different spheres. For instance, we can find people in the urban areas talking about the Unit Trust. But when we go to villages and ask the villagers: what is the Unit Trust? They do not know what it is. The Unit Trust is meant for those people who are poor and coming from lower strata of society, who can also contribute and have a share in it, because the shares to be subscribed are of a very low value. Anybody could participate in it.

3 P.M.

Anybody could participate in it. If this idea had percolated down to the rural areas, to the village level, the smallest person could have participated in it. He could have had a feeling of participation in this national programme of savings. This is the best form and the easiset form of savings, and everybody could have contributed his might towards it, and the Unit Trust could have grown in gigangic steps, very fast. It would have been a big public sector undertaking with a lot of reserve funds, and those funds could have been directed towards so many directions where a number of projects in this country could have been harnessed and taken care of by management of this type.

Another idea of having multiple Unit Trust would be that more employment opportunities would be generated. There would be more centres involved in this Unit Trust. Had we seen that it percolated down to the village level, every person, every citizen of this country would have had a feeling of participation in an institution like this in which he could contribute and be a shareholder.

The second point is about the emphasis of the investment of the money collected by this Unit Trust. The emphasis is on financing those large industries which can automatically look after themselves. They have sufficient reserve power, financial power. They have the backing of big financial institutions. They can look after themselves. The Unit Trust's money is collected from small, middle class, poor people. It should go for the benefit and enrichment of the lives of those very people from whom it has been collected. For instance, we find in our country there is a lot of housing problem. People still sleep on pavements. Now it is winter. It is cold in the night though it is not as cold as it would be in January probably. But still it is cold. If you go outside during the night at about 11 o'clock or 12 o'clock, you will find that the cold is so severe that you cannot sit on the pavement or sleep on the pavement without any proper shelter or proper clothing or covering or anything of that sort. Yet, in spite of this difficulty, you will find people sleeping on the pavements, even in this wintery nights when it is so cold because there is no arrangement. The Government, after 37 years of the independence, has not yet been able to provide any formula, any plan, and there is not even a possibility in the near future, of providing roof to shelter those people who sleep outside on the pavements. The Unit Trust could do one thing. It could help small people to have shelters, to take small houses. They could have been financed for having a roof over their head. Though investment in individual cases would be low, a large number of people would have benefited by the Unit Trust programme, and in the event slowly and slowly we could have found that the housing difficulty could have been solved.

There are cottage and small scale industries which are suffering, which are being strangulated, throttled because of lack of funds or back up by proper financial support. These very small industries which find it difficult to get finance, could have done well. The problem of unemployment would have been solved in this manner as people would have started self-employing themselves. Today, nobody can even think of self-employing himself because there is no source of taking funds from any organisation. Therefore, here also the Unit Trust could have helped.

Number three, we find that a number of industries producing sophisticated item

luxury goods, I would say, those institutions are also being financed by the Unit Trust. It is not necessary at all. We need the bare necessities of life. In the agricultural sector, for instance, for better seeds, for better implements, for having tubewells in the fields, for those measures which would have returned the farmer better output, he needs more money.

But I find that neither there is a collection in the Unit Trust from that sector nor there is disbursement towards that sector. This is the biggest failing of this Trust. I would say, therefore, that having monopoly business in the UTI is not a good idea. Have it spread properly, through the recognised institutions, having full control and backing of the Government, into various fields. Let it percolate down to the village level, to the lowest possible place so that everyone benefits. Can there be any doubt that your target would have far exceeded if this idea percolated to the village level? Therefore, in that matter it amounts to more or less a defeat of the very idea for which this Unit Trust was created. I do not know what is the ultimate aim of creating this trust, what it is meant for, what is the policy behind it, how the Government wants it develop, how the Government wants the participation of the people in it and the number of people in it, from what sector and to whom this benefit should go. Some people have said that the contribution of the Unit Trust towards the public sector is less, it should be more. Well, I do not know. I think that the public sector can look after itself, because there is the whole Government policy that looks after the public sector. I do not think that the public sector would famish. The public sector gets what it wants. Rs. 50 crores have been given to the public sector, I do not think, because it would famish but probably because you feel that is the only amount it needs. I do not mind. After all, we must see that the private sector also is flourishing, because the public sector along will not solve the problems of this country. As long as we have the double policy of enouraging the public sector and private sector also, we must also see that one does not score over the other without help. Each sector must be properly helped, and if the private sector does need help and nourishment, well, you must provide for it; there is no harm in it. But, at the same time, I would say that it should not go to the private sector which is large but it should not go to the private sector which, in turn, is not helping the common man but is helping that sector of the population of this country which is affluent. If help is directed to that, it would defeat the purpose of the UTI.

Then, in spite of the liberal banking policy towards the rural sector, even in spite of that, we find that the farmer at the time when his crop is ready he at that stage is not in such a position that he has financial power to retain his crop; he has to sell it in distress. He is not able to hold wheat. He has no holding power. The net result is that he does not get a proper price. This is the biggest ailment of the rural sector which amounts to more than 75 per cent of the population of this country. They cannot hold on to their produce. The Unit Trust can help these people for holding their produce so that they can sell the produce at a time when it can get them a good price and they are not forced to sell their produce in distress. By selling the produce in distress the farmer loses. Nobody gains. The problem continues. During the last 37 years, the position of the farmer has gone. down and down. He still completely relies upon your banks or upon the moneylender, who, once having given the money takes every drop of blood from the same farmer. By having such an institution you can do a very valuable work and save the blood of the major part of the population of this country from being sucked by the greedy moneylenders. The public sector should come into this field. This is one of the most vital roles.

Here we have very poor educational facilities. People are not properly educated not because they do not want to

[Shri Sushil Chand Mohunta]

study, they do not want to learn or they are not competent enough to learn or study. I have found that our people, man to man are superior than any other people of the world. When our person becomes a doctor or an engineer, he goes and competes in foreign countries—where he gets a place of pride. People vie with each other to accommodate him. He reaches the apex over there. It is not because he has some support from you or the Government for which these people appreciate to select him. It is because of his intrinsic worth and merit. But here people do not get an opportunity to study. I think deserving cases can be helped. Even for brilliant students, if they need help, Unit Trust can come to their rescue. There is no harm. After all, this money is going to be paid back to the Trust. You are not giving charity to any person. It is only to secure the objective that at a particular time when a brilliant student does not have financial sources to continue his study and has to drop out from study, this man is not allowed to drop out because of financial difficulties or problems but he is helped at a particular time to complete his study so that when he is educated, when he starts earning, he starts returning back the amount that is due to Unit Trust. This part also could be taken care of. Therefore, I would suggest that though this measure is good: the Unit Trust is giving him good dividend. There I agree. But it could be still better and therefore, I would suggest that the Hon'ble Finance Minister should take up guts, come with some bold steps, amend it, make provisions for more Trusts. Let there be healthy competition amongst them and the benefits should percolate down to that level and from that very level, start collecting money. They will be ready to give you money if they are in small numbers and your targets of having funds in this Trust would be far exceeded. Thank you.

श्री कल्पनाथ राय (उत्तर प्रदेश) : आदरणीय उपसभाध्यक्ष महोदय, सरकार ने जो यूनिट ट्रस्ट ऑफ इंडिया विधेयक सदन के सामने रखा है, मैं उसका समर्थन करता हूं।

आदरणीय वित्त मंत्री जी से मेरा निवेदन है कि यूनिट ट्रस्ट 1963 में बना था किन्तु जिस उद्देश्य को लेकर इसका निर्माण किया गया था वह उद्देश्य इसने प्राप्त नहीं किया है। सबसे दुर्भाग्यपूर्ण बात यह है कि श्रीमती इंदिरा गांधी के नेतृत्व में बैंकों का जो राष्ट्रीयकरण किया गया और प्रिवी पर्स समाप्त किए गए, उनके पीछे भी मुल्क की बहुजन जनता के हित में पैसा खर्च करने की भावना थी। आज पूरे हिन्दुस्तान के बैंकों की पूंजी 75 हजार करोड़ रुपए है और फाइनेंशल इंस्टीट्यूशंस की लगभग 25 हजार करोड़ रुपए है। लेकिन कुल 27 हजार करोड़ रुपए की पूंजी केवल 11 पूंजीपतियों के घरानों को फाइनेंशल इंस्टीट्यूशंस और बैंकों ने दे रखी है। तो जो उद्देश्य था कि हम अपने बैंकों के राष्ट्रीयकरण का इस्तेमाल राजनीतिक और सामाजिक उत्पीड़न की दिशा में करेंगे, वह उद्देश्य हम प्राप्त नहीं कर पाए हैं। आजादी की लड़ाई के दौरान भी स्वतंत्रता सेनानियों, खास तौर से पं० जवाहरलाल नेहरू के नेतृत्व में समाजवादी समाज की रचना का संकल्प लिया था और श्रीमती इंदिरा गांधी के नेतृत्व में समाजवाद की दिशा में बैंकों के राष्ट्रीयकरण और प्रिवी पर्स की समाप्ति एवं 20 सूत्री कार्यक्रम समाजवाद की दिशा में ठोस कदम थे।

यूनिट ट्रस्ट आफ इंडिया की जितनी पूंजी है उस पूंजी का 90 परसेंट रुपया आज भी कारपोरेट सेक्टर में है। यानी जो प्राइवेट सेक्टर की कम्पनियां हैं, जो प्राइवेट घराने हैं उसमें यूनिट ट्रस्ट का 90 परसेंट रुपया लगा हुआ है। एल० आई०सी० को इसलिये बनाया गया था कि जो हिन्दुस्तान के गरीब लोग हैं व लोग अपना पैसा बचाकर इसमें लगायें और इससे भारी कैपिटल फार्म होगा, लाइफ इंश्योरेंस के माध्यम से सचय की प्रवृत्ति देश में बढ़ेगी। यूनिट ट्रस्ट आफ इंडिया को तो बहुत से मेम्बर ऑफ

पार्लियामेंट तक नहीं जानते । युनिट ट्रस्ट ऑफ इंडिया का प्रचार जिस ढंग से होना चाहिए हिन्दुस्तान के सात लाख गांवों में उस तरह से नहीं हो रहा है । सरकार के पास तहसील हैं, ब्लाक्स की मशीनरी है । 5 हजार ब्लाक्स देश में है । आप युनिट ट्रस्ट के माध्यम से, 10 रुपये का युनिट जो है अगर गांव में उसका प्रचार किया जाए तो लाभ हो सकता हैं । बी०डी०ओ० ब्लाक के कर्मचारी के माध्यम से गरीब जनता को, जो अपना पैसा कमाते है उसको इकठ्ठा करा कर इसमें जमा कराना चाहिए क्योंकि इससे डिविडेंड ज्यादा मिलता है, सूद ज्यादा मिलता है । अगर सरकार अपने युनिट ट्रस्ट ऑफ इंडिया का रेडियो और टेलीविजन के जरिये प्रचार करे तो इसका लाभ गरीब जनता उठा सकती है । आज हम देख रहे हैं कि टेलीविजन पर कामर्शियल प्रोग्राम ही आते हैं, कारपोरेट सेक्टर का ही भारी प्रचार होता है । जिन कामों से देश की जन शक्ति और लोक शक्ति मजबूत हो, जिन कामों से राष्ट्रीय शक्ति मजबूत हो उन कार्यो की दिशा में हमारी एल०आई०सी० हमारे नेशनल-लाइज्ड बैंक्स, युनिट ट्रस्ट को काम करना चाहिए । मै अच्छी तरह से जानता हूं कि युनिट ट्रस्ट आफ इंडिया का कोई प्रचार गांव में नही हो रहा है । जितना शेयर केपिटल जमा है उन शेयर केपिटल में 10 परसेंट रुपया भी इनका जमा नहीं है । जो बड़े-बड़े कारपोरेट सेक्टर की कम्पनियां हैं वे अपने पैसे को यहां से वहां ले जाने के लिये युनिट ट्रस्ट में जमा कराती हैं । इसलिए मेरा निवेदन है वित्त मंत्री जी क्योंकि आप एक ईमानदार और सच्चे मंत्री है कम से कम आप युनिट ट्रस्ट ऑफ इंडिया का प्रचार ढंग से यहां पर व्यापक पैमाने पर कराये । आप तहसील के माध्यम से, जिला मुख्यालयों क माध्यम से, डिस्ट्रिक्ट गवर्नमेंट मशीनरी के माध्यम से, ब्लाक डवलोपमेंट के माध्यम से, यानी जो सेन्टर है जो जो सत्ता के केन्द्र हैं उनके माध्यम से युनिट ट्रस्ट आफ इंडिया का प्रचार कराया जाना चाहिए और गांव की जनता में यह बात फैलनी चाहिए कि वह सेविंग की आदत डालें । मजदूर जो खेत में काम करता है, सड़क पर काम करता है या फैक्टरियों में काम करता है या जो व्यक्ति दो रुपये, 10 रुपये कमाता है वह युनिट ट्रस्ट का एक शेयर खरीदे वह उसमें रुपया जमा करे । इसकी उसके अन्दर आदत बननी चाहिए । अगर राष्ट्रीय पैमाने पर करोड़ों-करोड़ मजदूर, करोड़ों-करोड़ किसान, गांव के लोग युनिट खरीदने लगें तो इसका लाभ बैंकों को मिल सकता है । इससे लोगों को यह फायदा होगा कि सूद भी ज्यादा मिलेगा, डिविडेंड ज्यादा मिलेगा और युनिट ट्रस्ट का जो पैसा है वह हम कल्याणकारी योजनाओं के लिये खर्च कर सकते हैं । कारपोरेट सेक्टर के पूंजीपतियों को एक भी पैसा युनिट ट्रस्ट का नहीं मिलना चाहिए । यह तमाशा हिन्दुस्तान में हो रहा है कि 27 हजार करोड़ रुपया हिन्दुस्तान के 11 पूंजीपतियों को फाइनेन्शियल इंस्टीट्यूशन्स के माध्यम से दिया गया है । पूरे हिन्दुस्तान के बैंकों की पूंजी 75 हजार करोड़ रुपया इनके पास है । हमारे देश के नेता राजीव जी ने कहा है और इन्दिरा जी दिन रात 20 सूत्री कार्यक्रम के माध्यम से कह चुकी है कि गरीबों के लिए हमें ठोस कदम उठाने चाहिएं, उनके लिए ही कार्यक्रम बनाएं जाएं ।

हमारी सरकार सारे प्रोग्राम्स को इम्प्लीमेंट नहीं कर पाती है क्योंकि हमारी जो पूंजी प्राइवेट सेक्टर में लगी हुई है उसका सही इस्तेमाल नहीं होता है । पूंजीपति बैंकों से पैसा लेते है और उस पैसे को विदेशों में जमा कर देते है । 25 सौ करोड़ रुपया प्राइवेट सेक्टर में लगा हुआ है, लेकिन वह पैसा विदेशों में जमा कर दिया जाता है । पूंजीपति उस पैसे को एक्सप्लाइट करने की कोशिश करते हैं । हमने अपने संविधान में कसम खाई है कि हम इस देश में समाजवादी समाज की स्थापना करेंगे । विश्व के महान नेता श्रीमती इंदिरा गान्धी की अध्यक्षता में हमने भारत के संविधान में संशोधन

[श्री कल्पनाथ राय]

किया और कहा कि इंडिया विल बी०ए० डैमोक्रेटिक सोशलिस्ट रिपब्लिक । हमने संकल्प लिया है कि हम भारत को एक डैमोक्रटिक सोशलिस्ट सेकूलर रिपब्लिक बनाएंगे । हमने अपनी कांग्रेस पार्टी के चुनाव घोषणा पत्र के माध्यम से भी संकल्प किया है कि हम इस मुल्क में समाजवादी समाज की स्थापना करेंगे । नये प्रधान मंत्री श्री राजीव गांधी जी ने अपने प्रथम आकाशवाणी के भाषण के माध्यम से कहा है कि —आई रिअफर्म माई फेद इन सोशलिज्म एण्ड प्लान्ड इकनोमी। उन्होंने हिन्दुस्तान की समाजवादी अर्थ व्यवस्था के प्रति अपनी गहरी आस्था व्यक्त की है । हमने यह कहा है कि हम श्री जवाहरलाल नेहरू और श्रीमती इंदिरा गांधी के बताए हुए रास्ते पर और उनकी नीतियों पर चलेंगे । इसलिए मैं वित्त मंत्री जी से कहना चाहता हूं कि इस मुल्क के जितने भी फाइनेंशियल इंस्टिट्यूशन्स हैं, चाहे वह यूनिट ट्रस्ट हो, लाइफ इंश्योरेन्सन का कारपोरेशन हो या बक्स हों, उन सब की पूंजी का इस्तेमाल पब्लिक सेक्टर को मजबूत करने के लिए किया जाना चाहिए । यह पैसा हिन्दुस्तान की उन योजनाओं के लिए खर्च किया जाये जो योजनाएं हिन्दुस्तान की 70 करोड़ जनता की भलाई के लिए बनाई गई हैं । अगर इस पूंजी का इस्तेमाल कारपोरेट सेक्टर में किया जाएगा तो उचित लाभ आम जनता को नहीं मिल सकता है। मैं माननीय वित्त मंत्री से यह कहना चाहता हूं कि जब भी आप कोई कानून बनाएं तो इस बात को ध्यान में रखें कि हमने अपनी आजादी की लड़ाई के दिनों में क्या संकल्प किया है ? हमारे स्वतंत्रता संग्राम सेनानियों ने आजादी की लड़ाई के दौरान सन् 1885 से लेकर 1947 तक, करांची कांग्रेस से आबाड़ी कांग्रेस तक, यह संकल्प लिया था कि हम आम लोगों के हितों के लिये काम करेंगे, साधारण गरीबों के हितों के लिये काम करेंगे । यही नीति हमारे संविधान में निहित है। इसी नीति को हमने अपने डायरेक्टिव प्रिंसिपल्स आफ कांस्टिट्यूशन में रखा है। समाजवादी समाज के रास्ते पर चलकर ही हम इस देश को एक शक्तिशाली देश बना सकते है। भारत को एक शक्तिशाली और वैज्ञानिक, टैक्नोलोजी पर आधारित देश बनाने के लिए हमें समाजवादी अर्थव्यवस्था को अपनाना होगा। हमारी अर्थ व्यवस्था में जो डिस्टोरशन्स आ गये हैं उनको दूर करना होगा । आज कुछ लोग यह कहते सुने जाते है कि प्राइवेट सेक्टर विल बी इन दी कमांडिंग हाइट आफ इकनोमी, इसको हमें दूर करना होगा । पब्लिक सेक्टर ही इन दी कमांडिंग हाइट आफ इकनोमी हो सकता है । पब्लिक सेक्टर ने ही हमारे देश में तमाम इंफ्रास्ट्रक्चर पैदा किया है । आज भी विकास देश मे हुआ है वह पब्लिक सेक्टर के माध्यम से हुआ है। आज हमारे देश में कृषि के क्षेत्र में जो प्रगति हुई है वह पब्लिक सेक्टर के कारण ही हुई है ।पंडित जवाहरलाल नेहरू और श्रीमती इन्दिरा गांधी ने इस देश को एटोमिक पावर और स्पेस पावर बनाया है। आज हिन्दुस्तान सात इंडस्ट्रियल कन्ट्रीज में से एक है । यह सब इसी कारण से संभव हुआ है कि पब्लिक सेक्टर के माध्यम से विशाल पैमाने पर इंफ्रास्ट्रक्चर तैयार कर लिया गया। प्राइवेट सेक्टर के माध्यम से यह काम नहीं हो सकता था। प्राइवेट सेक्टर ने इस दिशा में कोई कदम नही उठाया । आज हमारे देश में टलीविजन का बहुत विकास हुआ है । मैं आपसे निवेदन करना चाहता हूं कि वित्त मंत्रालय यूनिट ट्रस्ट आफ इंडिया का प्रचार रेगुलर ढंग से टलीविजन और रेडियो के माध्यम से कराये जिससे कि हिन्दुस्तान के 60 लाख गांवों में रहने वाले ग्रामीण मजदूर, ग्रामीण किसान, गांव के रहने वाले करोड़ों लोगों के मन के अन्दर यह भावना बढे कि यूनिट ट्रस्ट के शेयर खरीदने से, उसमें सेविंग करने मे उनको ज्यादा लाभ होगा और उनको ज्यादा, से ज्यादा डिविडेन्ट मिलेगा और उससे जो कैपिटल फार्मेशन होगा, उसमें अरबों रुपया राष्ट्र के विकास के लिये खर्च किया जायेगा । मुझे विश्वास है कि आप यूनिट ट्रस्ट आफ इंडिया को लाइफ इश्योरेस कारपोरेशन से ज्यादा पापुलर बनायेंगे। महोदया, आज यूनिट ट्रस्ट आफ

इंडिया का 90 प्रतिशत भाग कारपोरेट सेक्टर में खर्च हो रहा है, मैं चाहता हूं कि उसका शत प्रतिशत पैसा या तो पब्लिक सेक्टर एकानामी को मजबूत करने के लिये खर्च किया जायें या जन कल्याणकारी कार्यक्रमों पर सरकार उसको खर्च करे, इन शब्दों के साथ में यूनिट ट्रस्ट आॅफ इडिया) विधेयक का समर्थन करता हूं।

THE VICE-CHAIRMAN (SHRIMATI KANAK MUKHERJEE): Now, Mr. Bir Bhadra Pratap Singh.

SHRI BIR BHADRA PRATAP SINGH (Uttar Pradesh): Madam Vice-Chairman, two suggestions have been made in the speeches here. One is with regard to the propagation of this scheme in the rural areas and I welcome that suggestion. But a very dangerous suggestion has also been made by one of the speakers that the monopoly should be broken. Let there be more trusts and let there be more competition with the Trust. But I call it a dangerous idea because probably he is not realising the objective of the Act and the amendment which has been brought forward in furtherance of that objective. If there are more trusts created, if the monopoly is broken, then probably the poorer sections of the society, for whose benefit this Act had been brought for ward, will suffer and those people will be benefited who have more money and who are rich. But that is not the idea of the Act or this amending Bill. So, I would like to caution our learned Finance Minister against this dangerous suggestion. What I pray is that it should be considered seriously and sympathetically as to how more and more people could be brought under this scheme, how more and more people could be attracted to this scheme. Really, Madam, many people do not know the benefits of this scheme. The old modes of investment like the Provident Fund, insurance, bank deposits and other such things have not become so beneficial and they have not become so beneficial especially to those sections of the society which consist only of small wage earners who cannot otherwise save money, but who can only invest small sums of money. As the name truly goes, units are held by a Trust and, so, let us not betray that Trust and the law which has been enacted to safeguard that Trust has to be welcomed and the results have shown it. It is hardly two decades old. But the progis have grown and that section of society which we wanted to be benefited by this has been benefited. More people are taking interest in this. But it is a correct fact that the urban people are aware of it and they are taking more interest and they are investing more money. But the rural people also must be brought under this scheme and they must be given incentives to invest their money, their small savings, in the units and their trust should be kept intact and the amendment which is being brought forward is a step in that direction and is, therefore, a welcome step.

Some suggestions have been made. The question is not how the money is to be invested. But the question is how the poor people can earn money and how they can invest profitably. You have to see how the poor investors who are investing their money can get reasonable returns. Suppose a person invests a hundred rupees in bank deposits. The banks today pay interest at the rate of 4 per cent.

But look at the growing inflation which will erode and diminsh the utility of their money. That was hitting the poor people. So they were feeling shy to invest more money. But it is also known that our best mode of savings is the household sector; it accounts for the lion's share in the economy. Basically, our country's economy, so far as saving is concerned, is based on the household sector, Therefor, the inflation which was hitting hard other modes of deposits could be warded off because of the presence of the Act. And if that was the case that smaller investors were safeguarded and inflation was not able to erode their interest this Act was brought and it has proved a success, then I must compliment the Finance Minister for having brought the requisite amendments in the Bill in question.

[Shri Bir Bhadra Pratap Singh]

I think I will confine myself to those two or three questions which he has brought by way of this amendment.

[The Vice-Chairman, Shri Pawan Kumar Bansal in the Chair.]

Of course, one is how to safeguard the money of those people, from attachment, applying the provisions of the Code of Civil Procedure. It is a good safeguard of the interests of the small investors.

The other amendment that has been brought here is subordinate legislation. I felt that it is perfectly within the scope of principles of delegated legislation. I had stated some time back in this House that it is only matters of procedural details which are left to subordinate legislation, but the basic principles of policies are still reserved for the Act itself.

Now, another welcome part of it was that by this amendment we shall be attracting non-residents to invest and come under the scheme, and it will benefit small investors, poor people, who invest their money. I have made the suggestion time and again that let us encourage non-residents to invest more money. At one stage I had suggested that we allow non-residents to bring more to India, of course through the Reserve Bank. That will stop black-marketing. That will stop inflation. Not only gold but so many luxury goods are coming to this country surreptitiously. Allow these things. People need it, They require it, They desire it. And if we suppress it, they would go in for blackmarket. That would lead to inflation and jeopardize our economy. Why not allow such things to come in the country? Likewise, it is a welcome measure that the non-residents have been encouraged to get attracted, to come to the rescue of small investors. It is good, nationally and internationally. It is a welcome measure.

Some people have argued why not this money should be invested in the public sector. But supposing the public sector is in loss, then the poor people will also lose. There are so many financial institutions in the country. Why should the poor people be made to suffer on account of any reason? If the real idea is to encourage them to invest more, I support the idea that not only the urban but the rural people should also come to the rescue of this country. I do not agree that its monopoly should be broken, otherwise if we want to make India an American society it will be very dangerous. The poor investors are the people who otherwise cannot save money.

They will have interest and they will be benefited. As a result, we shall make a good reserve and our economy will become more sound. I would say that the Unit Trust money should be looked after well and the trust should be kept intact. I think the Amending Act will take those aspects into consideration very seriously. Therefore, I support the Bill. Thank you.

SHRI K. VASUDEVA PANICKER (Orissa): I stand to support, the Unit Trust of India (Amendment) Bill. I recollect that 20 years back when I joined the college as a junior graduate, I wrote an article about the Unit Trust of India which has come into vogue in those days. I wrote the article because of excitement, because of the innocence of my age and also because of the ignorance of the socio-economic pattern of the society which kept the poor people always under strain. I captioned the article "Unit Trust of India—the Magna Carta of the Man on the Road". I don't think I stand disproved although 20 years have elapsed. I am glad that what I wrote in those days and the theme of my article stand vindicated. Although those things have not been proved totally and absolutely, the Magna Carta of the Man on the Road is still valid.

As far as the progress which the Unit Trust of India has made in all these 20 years is concerned, as a public sector institution as a public sector corporation, it deserves applause of the people of this country. It also deserves the congratulations of the people of this country. The Government of India also deserves congratulations for the simple reason that a humble beginning which was made 20 years ago has grown into such a big organisation, an organi-

sation which can stand the test of the these and an organisation which can provide profits to the poor people of this country.

What is the purpose of the Unit Trust of India? The purpose of the concept of the, Unit Trust of India at the time of the inception of the organisation was to motivate the people to a sense of saving for the purpose of investment for the larger interests of this country. Have we succeeded in this purpose? So far as the Unit Trust of India is concerned, the crucial question is whether as a public sector institution the trust have satisfied the poor people with their performance. I stand here to say that the purpose of this institution has been met substantially during the last two decades because the Unit Trust of India which started with a few lakhs of rupees of investment has come out today in 1985 as a public sector unit which has got investment resources worth nearly 1300 crores of rupees. This is not a mean and meagre progress. This is a substantial progress. Moreover, who are the investors? Who are the people who save for building up this organisation? Who are the people who save for the purpose of generating profits which will in turn be disbursed among the people of this country. It is the poor people, the people from the lower strata, the lower economic strata, of this country.

And, what is the number of these people? The number of these people today in 1985 is 17 lakhs, i.e., more then 17 lakhs of small units and out of which 70 per cent of the total units go to the units from 5,000 and below, So, it means that the unit trust's basic investment potential is made out of poor man's sweat and labour. This is an institution of the poor man. This is an institution by the poor man. This is an institution for the poor man. This is an institution which the poor man has created. Now the question is whether this institution which has been created by the sweat and labour of the poor man in this country, 17 lakhs of people in this country, the people who contributed Rs. 5, or Rs. 10, or Rs. 100 or Rs. 1000, for the creation of this public sector institution, whether the benefit of that has gone to the poor man in this country? I also join some of my learned friends in this House who said that the Unit Trust could not succeed in that. I also partially want to join the chorus because that is the position prevalent in this country. I want to ask one question to Shrimati Kanak Mukherjee, who initiated the discussion from the opposition side regarding this question, namely, that the unit trust has become an institution which is working not for the poor people but for the interests of the corporate sector in this country. I want to join her on this but, at the same time, I want to warn her and caution her that this is a situation which is prevalent in India today. Let us take the case of the nationalised banks in this country. Let us take the case of State Bank of India or any other nationalised bank of this country. Who is the total beneficiary? Who is the major beneficiary of the banking industry in this country? The total beneficiary, the major beneficiary of the banking industry, the banking institution, the public sector institutions of this country is not the poor man, but it is the corporate sector, it is the rich man in this country. This is the man who builds the industry. It is the man who is running the agriculture. It is the man who is controlling the economic system of this country. It is not the defect of only the Unit Trust of India, it is also the defect of the banking system of this country. It is also the insurance institutions of this country that the poor man is not their beneficiary but the rich man at the corporate sector who is the beneficiary. This is not because of the fault of the unit system. It is the fault of the socio-economic system. If you want to make this Unit Trust as will as the banking system useful to the poor if you want the insurance system of this country to go to the poor man's benefit, to serve the poor man, then the socio-economic system must be changed. But who is running the industry in this country? The man who is running the industry is not you or I or any Members of this House. It is not the ordinary man of this House. It is not the poor man of this House. It is not the poor agriculturist of this country. It is not the labour of this country. The industry

[Shri K. Vasudeva Panicker]

is being run by the corporate sector. The industry is being run by the rich people of this country. So long as you permit that sector, the corporate sector to ride roughshold then that system will prevail and that system will keep the poor people from taking the benefits of the Unit Trust of India and the banking system of this country. So, it is not the fault of the unit system of India, which as a public sector corporaction, during the 20 years' time, has come out as one of the most successful public sector institutions of this country. This is the paradox in India's economic history. But this a paradox which you have to appalaud and congratulate. For this reason as the poor man's institution whose blood and sweat has been contributed for the formulation of this institution this Unit Trust and the Amendment Bill has to be appalauded. I also congratulate the Finance Minister who ably piloted this Amendment Bill for the simple reason that the Unit Trust of India is going to be made a major institution. which will put up ever so many branches in different parts of the country, which will induce and motivate the poor people to make small savings from their kitty, from their day-to-day life which savings will ultimately be channelised to a common pool; these channelised investments will result in profits and the profits will culminate in dividend and this dividend will go to the poor man.

Sir, if we have to correct the system, then, we have to correct the system. But we should not try to kill an institution which has been created, which has been built up, out of the blood and sweat of the poor man's life. Sir, with these words, I strongly support this amendment Bill and I also congratulate the Finance Minister as well as the Government for seeing that an useful institution which had a humble beginning projected itself into a towering institution, becoming a very major institution and a pride of the public sector in this country. Thank you.

MISS SAROJ KHAPARDE (Maharashtra): Mr. Vice-Chairman, Sir, I stand to support the Unit Trust of India (Amendment) Bill, brought forward by the hon. Minister in this House for consideration. Sir, this Bill which seeks to widen the scope of business which the Trust can transact is long over due. The Trust has been functioning for over two decades and during this period, it has gained the confidence of the people and has gone from strength to strength. Some of my friends in the House had certain reservations about widening the scope of activities of the Unit Trust of India. Some of my friends made a reference to investment and deployment of funds by the Trust. A perception of the nature of service offered by the Unit Trust of India is clear from its Charter.

The broad objectives are clearly to service the saving of the unit holders and provide them safety of investment, liquidity and good dividend. Sir, I may also mention that the UTI is a sophistcated financial intermediary for managing the saving of the community who may not always be in a position to make a right choice of a balanced mix of investment in corporate securities. It is, thereof, appopriate that the UTI has invested part of its funds in corporate securities with a view to maximising income and profits for the unit holders. Therefore, the criticism that the UTI is helping large companies in the private sector is not correct. In fact, the UTI has balanced its portfolio by investing in as many as 750 different companies including public sector companies. From the annual report for 1983-84, it will be seen that the UTI has provided financial assistance to joint and public sector projects. In 1983-84, the UTI sanctioned assistance to the tune of Rs. 50.96 crores to joint and public sector projects, compared to the sanctioned assistance of Rs. 10.56 crores in 1982-83. The UTI has also made investment in a deversifying range of industries such as aluminium, cement, iron and steel, fertiliser electricity generation and supply, transport equipment etc.

Out of Rs. 714.48 crores of investment in industries, as on 30th June 1984 as much as Rs. 48.94 crores were in the iron

and steel industry and Rs. 42.67 crores in electricity generation and supply. Sir, the private sector industries have a role assigned to them under the mixed economy framework of our nation. It is only appropriate that the UTI has provided financial assistance to these industries. The private sector is engaged in the manufacture of a variety of consumer products including items of basic necessities to the community, plants, equipment, etc.

At the end, I would like to say that the real test of the performance of the UTI is the way it has served the unitholders. The figures of dividend mentioned by the hon. Minister of State for Finance in his speech will speak of themselves. I do not intend to repeat them.

Finally, I must congratulate the Finance Minister for bringing forward this amending Bill in this House and with these words I support the Bill.

SHRI RAMESHWAR THAKUR (Bihar): Hon. Vice-Chairman, today's Bill, the Unit Trust of India (Amendment) Bill, 1985, has some very laudable objectives and I rise to support them. As we are aware, Unit Trust was established in 1963 with the object of savings and investment, to provide participation to the unit holders in the income profits and gains accruing to the Trust from acquisition holdings and management and disposal of these securities.

The Trust during the last 2 years has gained confidence from the public and its main objective from the investment point of view has been the safety of investments and soundness of its management. I have the privilege of being a Trustee on the Board of Directors for nearly four years during the initial stages of the Unit Trust and have the privilege of knowing its working more intimately. I have kept up my interest with the institution over the years. I am really proud of the achievements brought about by this Unit Trust in system during the last few years. Special features of the management has been: professionalised management, efficient working and I would also say, low cost working, the soundness in itspolicies and norms also. It has, over the years, maintained certain business policies where deviation on account of any pull or pressure from any quarter has not been possible.

It has been able to create a high image in the investing public over the years. It has followed a policy of dynamism, of pragmatic approach. Its achievement, as we are all aware, has been important. When it started working, we had actually small Unit Trust schemes. In 1964-65, the block sales were of the order of 19 crores. It has now increased to 756 crores during 1984-85—i.e. as on 30th June, 1985. Investment has increased from 25 crores in 1964-65 to 2,210 crores in 1984-85. The number of units has also increased from 1.31 lakhs to 17 lakhs during the preceding year. An important feature is that 85 per cent of the unit holders are small unit holders with an investment of Rs. 10,000 or less. As regards dividends, we started very cautiously. I recall in those days an increase of .1 or .2 per cent used to be the norm. Now the dividend which started from 6.1 per cent in the fifth year has gone up to 14.25 per cent during the last year. This performance is commendable from the income point of view to the investors, particularly the small investors. The gross income also, by prudent management and efficient management, has gone up from .53 crores to 257 crores during the year 1984-85.

Now there are one or two specific steps which the Hon. Minister has mentioned in regard to the move of the Unit Trust to popularise its units in the rural areas. There has been a genuine feeling that our units are primarily urbanbased. As we have discussed, in the case of the LIC also it started primarily in the urban areas but has now gradually gone, as part of its marketing programme, to the rural areas. But still it has a long way to go. I think it will be in the fitness of things that the Unit Trust moves on to the rural areas, to the small cities and towns and then to the villages and rural areas where it can have a lot of appeal. I would suggest that there should be special schemes for the rural people, particularly for the farmers,

for the small people and for other categories of such people who could buy these units for their benefit.

In regard to amendment, there are five or six major items of amendment in Section 19 and Section 14A. There is one major amendment and there are other consequential amendments. One thing I feel with concern in these amendments. I do not know what prompted you to change the basic structure because the objective of the Trust Bill when it was passed in Parliament was, this is an Act to provide for the establishment of a Corporation with a view to encouraging savings and investments and participation in the income, profits and gains accruing to the Corporation from the acquisition, holding, management and disposal of securities. The word "security" is important so far as the original Act is concerned. I am one of these persons who believe that we must have new avenues for investment and the Corporation must have a dynamic programme. However, it is for consideration 4 P.M. whether we should change, whether it is necessary at this stage to change, the basic structure of the objective and to enter into areas which are rather from finance investment point of view fraught with difficulties, particularly about two or three areas. I am a little concerned about the various amendments. In section 19 about the business of the corporation there are three areas where, I am feeling, he is going in line with other corporations established for long-term financing so far as the Central corporations or the State level corporations are concerned.

The first amendment is in regard to the amendment concerning the grant of loans directly. About the grant of loan directly it has not been specified whether it is long-term loan or short-term loan and what the basis will be because basically the Unit Trust should see that investments will be such which can give interest or yeild returns as quickly as possible. If we enter the area of long-term investments by way of loans, I am afraid that there may be difficulties. If we create new industries, for instance we grant loans, it takes time to get the return. And on occasions we find that there are difficulties when the project does not go well and there is loss, partial or total, and the industry may go sick. Of course, sickness is such that it could be in the case of other concerns also in which we have involved in securities of good managed companies sometimes But whether we should invest in long-term financing is a question which requires consideration.

The second aspect is about leasing finance. Recently I had the privilege of having a very important meeting in which leaseholding companies of India in a large number and their association had participated. There was a lot of concern. This is a new venture in which a number of leasing companies have engaged themselves. Many questions have not been answered so far. There are teething troubles. Even the Government have not given approvals in many areas, and they are pressing for them. My point is, whether at this stage we should invest in that. The leasing business is a new business. A large number of new companies, of course, have come in, and they have not established themselves. They themselves have got doubts in their minds whether they would succeed. Should we, at this stage enter into the leasing business? I would request very much that we should not go in for the leasing business because there are deficiencies. It is known that financial institutions, the Unit Trustees and their management know well that it is very new area. I would advise very much that even though this enabling clause is there, for a couple of years till the leasing business is established on sound lines, we should not enter it. We need not compete in that business. That is fraught with dangers. I am afraid, instead of earning quick money, instead of diversifying, we will be lending ourselves into difficulties which might create more problems for us. Therefore, I would urge very much the hon. Minister and the management of the Unit Trust to consider this. The Unit Trust

of India has very proud history of sound investments. It should not enter into leasing finance. It may not be advisable.

The next point is about acquiring and selling of immovable properties. I am a little surprised to see that because the original Act has prohibited it for very sound reasons. Section 19 (2) of the original Act, if we see, it says:

> "The Trust shall not take on lease, purchase or otherwise acquire, except for its own use, any immovable property or any interest therein."

It cannot take the power or completely go back from the existing provisions of the law and decide to invest in immovable properties. Even banks normally are not supposed to invest money in immovable properties except when they have acquired some securities and they have acquired some properties.

But a Unit Trust—such a sound institution whether it should be desirable to enter into this new area of acquiring, constructing building and selling. May be, in some areas it may be considered more profitable but there are many limitations; there are many difficulties and it requires a special kind of management. Unit Trust has a specialised management of investment, investment in securities basically. Now if we have there dimensions, that is, the investment like any of the long term financial institutions; IFCI or IDBI or other long term financial institutions, then we must have the necessary infrastructure. We do not have such infrastructure in the Unit Trust. We have been discussing in this House today the question of DDA. It was debated and discussed. If we take construction work, there are many limitations and difficulties and that kind of investment has not touched upon or entered and it will be in the interest of the Unit Trust and the money that the unit holders put in good faith with the Unit Trust that it will be more safe than in what we are trying to do. In some areas, there may be quick returns or better returns; I appreciate. But that is not the idea where we should compete. HUDCO is there, there are so many institutions and there are financial institution at the State level and at the Central level. They are entering into the building field. We can at the best invest our funds in these bodies in their shares—not ourselves acquiring the land and building, activities which is a very specialised body where there are so many limitations and I do not know if the specialised body like Unit Trust would enter into that. These are the three clauses which are connected with these amendments naturally would not be there if these amendments are sought. But what I am trying to say is that when this Bill has already been passed by the Lok Sabha, I would urge upon the Government that let this enabling clause be there, let the Unit Trust gradually acquire this specialisation and selectively enter into this field and do not go in a big way because when there are enabling clauses, they are always better and counter pressures, temptation to enter into all the areas which might make it a parallel institution which may not be in the interest of the institution itself. The other clause which is there in section 14(a). It is better to go through the section 9. It says:

> "The management of the Unit Trust for its general superintendance, direction and management of the affairs and business of the Trust shall vest in a Board of Trustees which may exercise all powers and do all action which may be exercised by the Trust".

Now, this is the power. Basically, there are two powers—power of management and business, these lie with the Board of Trustees. What is sought for in Section 14(c). Section 14(c) of the existing law says:

> "The Chairman shall perform such functions as the Board may entrust or delegate to him."

Now the amendment says that he has given the entire powers of the Board....

Though it says "emergency powers" emergency powers are normally of an emergency nature. Now in the case of Unit

[Shri Rameshwar Thakur]

Trust, the Board meets generally every month. It has been efficient and matters are not pending. I think even today the position is like this. Therefore, why has it become absolutely necessary that such sweeping powers as provided in section 14A should be given to the Chairman? It says:

> "If the Chairman, whose appointment is whole-time, is of opinion that circumstances exist which render it necessary for him to take immediate action in respect of any matter which is within the competence of the Board....."

Now it means that the entire power of the Board in respect of all matters which are there in the Act is being given to the Chairman, and he has simply to report it back to the Board at the next meeting. I think this is an amendment of a very sweeping nature. Normally it is not done. Certain specific or special powers may be given. I am surprised at this amendment because provision is already there in the Act whereby the Board can delegate certain of its powers to be exercised by the Chairman in certain circumstances. But if it is necessary for the Chairman to exercise emergency powers, it should be in certain specific areas. It should not be a sweeping power. It should not be that the entire power of the Board or the functions of the Board would be entrusted to the Chairman as an emergency power. Normally it is not done. I am a little surprised and concerned as to why it has become necessary. What has been the necessity? If you see the development of the Unit Trust over the years, we have seen many eminent persons as Chairmen. We have worked on the committee. There were occasions when formal decisions had to be taken and emergency meetings had been called. I don't think this kind of power was necessary. Sometimes such sweeping powers—maybe we have had very good Chairmen—may undermine the authority of the Board. Therefore, I would suggest for the consideration of the hon. Minister what safeguards are to be placed. There must be at least written norms and circumstances. though not in the Act but in actual practice. There must be specified situations in which the Chairman may exercise such powers, and those circumstances should be approved by the Board of Directors. It will be a kind of consent under the delegation of powers today. Unless those situations are specified and agreed to mutually, a sweeping power like this—and only to report back—will undermine the status of the Board, where we have had from the very beginning very eminent persons, who have contributed a lot to the development of the Unit Trust. Particularly matters of investment require due consideration by a cross-section of the people on the Board who can give advice. If you leave it to the best intentions of one person, there is a likelihood that sometimes the powers may be exercised in a manner which may not be in the interest of the Trust itself and may certainly undermine the powers given to the Board by the Act.

With these words, I would like to support the provisions of the Bill and would expect the hon. Minister to kindly clarify in his reply about the three areas of investment which I have mentioned, direct loans, leasing finance and investment in immovable properties, which should not be entered into in a big way. If at all it becomes necessary, it should be for the larger interests of the economy. It may be for the benefit of the weaker sections of the society. For that also, a well-knit code should be drawn up and under that code, these powers may be exercised in due course, gradually. And it should be ensured that the money is not blocked, not lost, not impaired, and the people's faith should not be affected. We have got many financial institutions, banks and long term financing institutions, where under these very provisions very vast amounts are blocked. More than Rs. 3,000 crores are blocked in sick industries.

In the small scale and other sectors we are aware of their difficulties. We are also aware how these banks are now projecting their profits, how they are able to declare dividends. We are aware how many of the banks are not able to make adequate provision in regard to doubtful debts. This is the situation today. And then, if sound institutions which are doing extremely well,

whose profitability performance is well, diversify their funds to such investments, it is very likely that they too will not be safe, they too will have the same difficulties and they too will not have sufficient funds left to declare dividends at the rates at which they are declaring today. Therefore, it is essential to have a rethinking of this or at least to move very cautiously. Whenever a move is made, it should be made in a planned way, with the knowledge of the Board and it should be sent to the Government also, and certain rules should also be framed, if necessary, under the Act. Thank you.

श्री विठ्ठलभाई मोतीराम पटेल (गुजरात) : मझे इस पर ज्यादा कहना नहीं है । लेकिन एक बात मेरी समझ में नहीं आती है कि यूनिट ट्रस्ट निचले वर्ग के लोगों तक, मिडिल क्लास के लोगों तक क्यों नहीं पहुंचता है जिससे कि उनको भी यह पता चले कि हमारी कोई ऐसी संस्था है जो हमको मदद कर सकती है । क्योंकि उनको इसके बारे में कुछ पता नहीं है इसलिये उनके दिमाग में यह बात नहीं आती है कि यह संस्था क्या काम कर रही है और गवर्नमेंट ने इस फाइनेंशियल इंस्टीट्यूशन को क्यों बनाया है । इसको ज्यादातर उन्हीं लोगों को देखना चाहिए जिनको ज्यादा मदद की जरूरत है और उनको मदद देनी चाहिए । यहां जो बोर्ड मे बैठे हुए लोग है कभी-कभी उनके दिमाग में होता है कि जो बड़े-बड़े पूंजीपति हैं वे शरीफ और अच्छे लोग हैं और वही पैसा वापस करेंगे । लेकिन यह बात नहीं है । गरीब लोग जल्दी पैसा वापस करते हैं । हमने देखा है कोआपरेटिव में कि 96 प्रतिशत से ज्यादा वहां रिकवरी होती है । बैंकों में इतनी रिकवरी नहीं होती । कुछ ऐसे काम हैं और मैं कहना चाहता हूं कि हाउसिंग के लिये यूनिट ट्रस्ट को कुछ करना चाहिए । लोग एल० आई० सी० से पैसा मांगते हैं लेकिन एल० आई० सी० के पास इतना फंड नहीं होता कि वह हाउसिंग के लिये दे सके । इसलिये यूनिट ट्रस्ट को हाउसिंग में फाइनेंस करना चाहिए, कोआपरेटिव को करे या किसी इंस्टीट्यूशन के लिये करे लेकिन जब एल० आई० सी० के पास फंड न हो तो यूनिट ट्रस्ट इसके लिये उनको दे दे जिससे मिडिल क्लास कोआपरेटिव के द्वारा अपना घर बना सकें । अगर आप ऐसी संस्थाओं को पैसा देंगे तो निचले लोगों को पता चलेगा कि यह ऐसी संस्था है जो हमारी मदद कर रही है । जो कोआपरेटिव हाउसिंग स्कीम है उसको अगर इस संस्था के द्वारा मदद मिलेगी तो उनको पता चलेगा कि उनके पैसे से ये मकान बनाये हैं और लोगों के सामने एक अच्छी इमेज यूनिट ट्रस्ट की बनेगी । आजकल जो दूसरे प्राइवेट फाइनेंस कम्पनिया है, चिट फंड कम्पनियां हैं वे इसमें करोड़ों रुपया इकट्ठा करती है । इसको रोकने के लिए कोई काम नहीं हो रहा है । कलकत्ता की रोयरलेस फाइनेंस कम्पनी कैसे बनी ? इतनी बड़ी हमारी सरकारी फाइनेंशियल संस्थाओं के होते हुए भी लोग उनको पैसा क्यों देते हैं ? कई कम्पनियां तो लोगों का पैसा दिये बगैर ही बन्द हो गई लेकिन गवर्नमेंट उनके खिलाफ ऐक्शन लेती नहीं है । गवर्नमेंट कहती है कि यह दोनों के बीच का कान्ट्रेक्ट है, यह एक प्राइवेट कम्पनी और पब्लिक के बीच का कान्ट्रेक्ट है । एक कम्पनी करोड़ों रुपया खा जाती है, पब्लिक का पैसा खा जाती है तो सरकार को उसके खिलाफ ऐक्शन लेना चाहिए । कहते हैं कि अदालत में जाओ क्योंकि यह दोनों के बीच का झगड़ा है । यह बात नहीं चलनी चाहिए । इसके लिये आपको कुछ करना चाहिए । अगर कल रायरलेस बन्द हो गई तो कितने लोगों का पैसा डूब जायेगा ? ये ऐसी कम्पनियां हैं जिन पर भरोसा नहीं किया जा सकता है । आपको इसके लिए कुछ करना चाहिए जिससे यूनिट ट्रस्ट और जो हमारे अन्य फाइनेंशियल इंस्टीट्यूशंस हैं उसमें लोग अपना पैसा जमा कराने को उत्सुक हों और जो इस प्रकार की गैर-कानूनी कम्पनियां हैं जिन्होंने धोखा किया है, उनके खिलाफ ऐक्शन लेना चाहिए । क्या आप समझते है कि जो आदमी दो सौ रुपया, पांच सौ रुपया, हजार रुपया देता है वह अदालत में जाकर इनके खिलाफ लड़ सकता है ? गवर्नमेंट को इनके लिए कुछ करना चाहिए । अगर आप ऐसे

[श्री विट्ठलभाई मोतीराम पटेल]

धोखेबाज लोगों को चलने देंगे तो वे गरीब आदमियों को, जो अपना पैसा इनको देते हैं उनको लूटेंगे और गरीबों का पैसा डूब जायेगा। इसलिये मैं चाहता हूं कि इसके लिये आप कुछ करें।

कुछ कानून मे सुधार करो, कुछ भी करो लेकिन उनके लिए कुछ करना चाहिए। हम को कई बार रेल मंत्री कहते हैं कि हमारे पास पैसा नहीं है। जो प्रोजेक्ट पांच-छः साल में पूरा होना चाहिए पैसे की कमी की वजह से उसमें 10–12 साल लग जाते हैं क्योंकि उनके पास पैसा नहीं है। बैंक वाले भी रेल वालों को पैसा नहीं देते हैं क्योंकि रेलवे का अपना अलग बजट होता है। मेरा कहना यह है कि डेवलपमेंट के कामों के लिए किसी तरह से आप इस संस्था में से पैसा निकालिये ताकि यह पैसा डेवलपमेंट के काम में लगे। यदि इस तरह से चलेगा तो हमारे बैकवर्ड एरियाज में कभी रेलगाड़ी नहीं जाएगी। गवर्नमेंट इंस्टीट्यूशंस के पैसे जो हैं उनको डेवलपमेंट के लिए लगाया जाए। इससे निचले वर्ग के लोगो को, गरीब लोगों को, यह लगेगा कि यह यूनिट ट्रस्ट हमारी संस्था है, यह हमारी मदद करती है। मैं इनके बोर्ड आफ डायरेक्टर्ज और गवर्नमेंट से रिक्वेस्ट करूंगा कि यह अपनी एक ऐसी इमेज बनाएं जिससे निचले स्तर के लोगों को यह लगे कि यह हमारी संस्था है। ऐसा कोई रास्ता आपको निकालना चाहिये।

मैं अभी ठाकुर साहब को सुन रहा था। उन्होंने कहा कि इतनी वाइड पावर भारत के प्रेज़ीडेंट को भी नहीं है जितनी पावर इनके चेयरमैन की है। इतनी वाइड पावर चेयरमैन को नहीं देनी चाहिये कि मर्जी पड़े तो बिड़ला को 100 करोड़ दे दिया। ऐसी पावर नहीं दी जानी चाहिए। सब चेयरमैन देवता तो नही आएंगे कभी कोई कोयला भी आ सकता है। फिर बाद में यह कहें कि हम क्या करें चेयरमैन ने कर दिया है फिर क्या चेयरमैन को फांसी लगाओगे, क्या होगा, लेकिन पैसा तो लोगों का चला जाएगा। इसलिये इतनी वाइड पावर कभी किसी चेयरमैन को नहीं देनी चाहिए। हमारे फाइनेंस मिनिस्टर को भी इतनी पावर नहीं है। इतनी पावर आप दे देते हैं, इसके बारे में आपको सोचना चाहिये, कन्ट्रोल रखना चाहिये। इतनी वाइड पावर नहीं देनी चाहिय। धन्यवाद।

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Now, the honourable Minister to reply.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Sir, I am grateful to the honourable Members for participating in the discussion on this important *Bill* and for their contribution in the from of constructive suggestions which will be given due consideration. I am also grateful to them for having made an in-depth study of the Bill and coming forward with very good suggestions.

Sir, most of the honourable Members have made one very good suggestion and it is to the effect that this scheme should be popularised and should be taken to the rural areas and due publicity should be given to this scheme. Sir, most of the people in the country do not know what the objective of the Unit Trust of India is and what the benefit is that has been derived by the public.

Sir, in the beginning itself it is my duty to explain as to what the Unit Trust of India is. Now, we have got small unit-holders and these unit-holders are subscribing which means that their savings are mobilised. The Unit Trust of India is not owned by the Government of India and there is no budgetary allocation. Nothing is given to the Government of India in terms of dividends and the Report of the Unit Trust of India is notified and is not placed before Parliament. Now, Sir, we have got 17 lakhs of unit-holders in the country. Out of these 17 lakhs, 87 per cent of the holders are small unit-holders whose investment does not go beyond ten thousend rupees. That means that their investment is not more than ten thousand rupees. Out of this 87 per cent of unit-

holders, 70 per cent holders are small unit-holders and their investment is less than five thousand rupees.

Now, here we have got the picture as to what type of unit holders we have got before them. Now, these unit holders make investment in the capital market. They do not have any experience and knowledge. So this Trust has been formed in order to make investment in the capital market. So the basic role of the Unit Trust of India was to invest in capital market. And this shall remain as the paramount objective. So, here, Sir, when we have to safeguard the interests of small unit-holders, who are small people, what is the objective and what should be our spirit, what is the responsibility of the Unit Trust of India as a body? The Unit Trust of India is primarily responsible to the small unit holders. Here we have to minimise the risk. Their interests should be fully protected and their savings should not be doldrums, and we have to give full protection to their savings. With this objective we have to move.

Sir, here when their investment is there, that should be deployed in various investments. Now, which are the avenues or outlets for the investment. In the shares and debentures we have invested Rs. 1119.15 crores, out of which Rs. 230.60 was in the pubic sector. Now, why there is no investment in the public sector? As you are aware, the public sector is owned by the Government of India. The shares are not sold in the public market. So we can invest only in the debentures. The Unit Trust of India can invest in debentures. When debentures are issued, the general public will also come in for investment. In that queue the Unit Trust of India also stands. So there is a limitation. It cannot be sold to only the Unit Trust of India. So that is why here the investment in the public sector is to this extent. Now, Sir, in the Government securities what is the investment? Rs. 155.12 crores; advances to companies Rs. 247.05 crores; deposits with banks and companies Rs. 642.19 crores and other investments Rs. 134.22 crores. The total investment is Rs. 2297.73 crores as on 30-6-85. Now, I fully agree with the hon. Members that more investment should be made in the public sector. And here what is the role of the Government and what is the policy of the Government also. The entire gamut of the economic policies of the Government of India is oriented to the stimulation of growth and also to promote savings and investment, thereby reducing the economic and social disparities. It is true that when hon. Members speak about the removal of poverty in this country and when they have shown their concern, it is the duty and primary responsibility of the Government to reduce disparity. Sir, we have seen what has been done in the Sixth Five Year Plan. There was a massive outlay of Rs. 97,500 crores. In the first four years of the Sixth Five Year Plan we have spent Rs. 80,000 crores, and Rs. 30,000 crores was spent in the last year of the Sixth Five Year Plan, coming to a figure of Rs. 1,10,000 crores.

Out of this, what is the percentage of foreign assistance? Only 7 per cent. 93 per cent came from our internal resources. So, we have not run away from the public sector. Sir, in the 1950s, there were only 5 public sector undertakings with an investment of 29 crores of rupees. Today, we have invested more than 30,000 crores of rupees in the public sector. In the 1950s, the share in capital formation was to the tune of 93 per cent in the private sector. Today, it has been reduced to 28 per cent. So, nobody can say that the investment in public sector has been neglected.

Sir, a reference has been made to the banks and it is my duty to clarify the position. When a deposit of Rs. 100 is given to the banking sector, a sum of Rs. 37|- is taken in statutory liquidity ratio, 9 per cent is taken away as cash reserve ratio and 10 per cent of the incremental deposit is also taken as reserve. So, out of Rs. 100 Rs. 56 are taken in Government securities and developmental activities. For public advance only a sum of Rs. 44 is left. Out of this, 40 per cent will go to the priority sector. As you know, we are encouraging small scale industries, the agriculturists and the agricultural sector. Here also we are fully safeguarding the public investment and the developmental activities of the country. So far as priority

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sector is concerned, so far 18691 crores have gone to the priority sector. 6472 crores have gone to the agricultural sector from the banking sector. We have been able to provide 4195 crores to the weaker sections from the banking sector. These are the various types of investments that have been made. It has been stated that we must go in a big way so far as the weaker sections are concerned. Yes, Sir. We have to intensify our direct attack on poverty and we must fight our battle against poverty. I fully agree with the hon. Members that development must be accompanied by equitable social justice, thereby bringing down or cutting down or removing the disparities and social and economic barriers. This is the essence of our socialism. We can say that it is the essence of our present concept of socialism.

Some of the hon. Members have made a good contribution about our thinking on the private sector. We cannot shut our eyes saying that there should be no private sector at all. It is a part of our economic development and their contribution cannot be ignored. We have got a mixed economy. We cannot shut our eyes to the contribution by the private sector. We cannot say that nothing has beeen done there. Here the hon. Members have made a point saying that we are going to help the private sector. They have also said that these monopoly companies have been helped. This argument has been put forward. Here, my submission would be that even this Unit Trust of India made their investments in various types of industrial activities, even in steel, cement, textiles and other industries. When the industries are coming up and this investment is being made, will there not be any generation of job opportunities? Will there not be any jobs for the weakers sections, for the unskilled labour or for the skilled labour? Who are these people? They also belong to the weaker sections.

So, Sir, I am very glad to say that even in West Bengal the thinking has been changed. Now they are also going for joint sector. They have fully understood that when the public sector is not in a position to give or create job opportunities, it is for the Government also to think to help the private sector. The generation of job opportunities should be there and we have to give this job opportunity to the masses of our people, that is the responsibility of the Government. There also we have to give our thoughts and hence I think when the hon. Members made that suggestion that our private sector also should not be neglected, I can assure them that it is not neglected. On the contrary, sufficient help from the financial institutions is flowing to this sector also. We have to safeguard the interests and the future of this sector because this sector is also contributing to the development of the nation. And by doing so we are not helping the people coming from Pakistan or China or Russia or America, We are helping our own people to generate income and jobs.

Now, Sir, coming to the point that this business should be taken to the rural areas, I fully agree with the hon. Members who said this and that has to be done and here more efforts should be made to take this UTI to the rural areas. The hon. Members made the point that this is not popular in the rural areas. Sir, there are outlets and there is an enabling provision to go to the rural areas and to make investment there. For that purpose also steps have been taken. We have taken the help of the oil companies because they are spread throughout the country. We are selling it through them. We have also taken the help of the fertiliser companies. Because they are having shops and depots throughout the country and they are located in rural areas. We are doing our business through them and an additional commission .25 per cent is given to the rural people for this business. Not only that, Sir. Even the branches of the Banks are utilised. We are even negotiating with the Regional Rural Banks. There also there is no difficulty. We are looking after that so that the UTI is taken to the villages.

SHRI SUSHIL CHAND MOHUNTA: What about other unit trusts to be opened and not having a monopoly?

SHRI JANARDHAN POOJARI: This point has been made. There is a

monopoly. You know there is an element of competition. The competitors are the LIC, the small savings, banks. These are some of the competitors in the field. It is not that the UTI is having no competitors. Take for instance the small savings. When we go to the post office, they say why go in for units? Our commission will go away. The competition is there. In spite of the competition they have made some progress.

Now, coming to the profits made by the Unit Trust. What was the profit in 1964?

SHRI SUSHIL CHAND MOHUNTA: Why not allow other unit trusts to come up? What is the difficulty? That you must tell us.

SHRI JANARDHAN POOJARI: Let us see the functioning of the Unit Trust of India. Now we have got a better institution and it is progressing and its performance is exemplary. I fully agree with the hon. Member who said that it has made a very good progress. He has made a deep study. The person who has invested, he is interested in what? He is interested in dividend. So far as he is concerned, the risk should be minimised. What is the profit? It is better if I highlight the performance of the Unit Trust of India. You may kindly look into this. In the year 1964, the profit of the Unit Trust of India was Rs. 1.53 crores. In the year 1984-85, it was Rs. 257.05 crores. See the performance. Last year, it was Rs. 142.64 crores, this year, it is Rs. 257.05 crores. The increase is eighty per cent. The question is, whether the interests of the small unit holders, for example, working class people, farmers and other poor people will be protected or not, will be safeguarded or not. We have to take this into consideration. We have to see that the investments made by these poor people are protected.

Sir, you will see that the reserves and provisions of the Unit Trust of India was Rs. 58.31 crores in 1981. Today, it is Rs. 298.47 crores. Last year, it was Rs. 150 crores. The growth rate this year is 98.9 per cent.

SHRI SUSHIL CHAND MOHUNTA: It could have been more.

SHRI JANARDHAN POOJARI: After considering the performance of the other public sector institutions, don't you feel that at least some pat will be required in this case? As you know, I also criticise where criticism is due. I will not spare anybody. But when there is improvement, when there is better performance, is not the duty of Members of Parliament to encourage it?

SHRI JAGESH DESAI: You should commend it.

SHRI JANARDHAN POOJARI: Otherwise, if we go on criticising that sector will also be demoralised. This is an opportunity, when we are coming forward with provisions to strengthen their hands. If they fail, let us not forgive them. But when they show improvement, let us have one word of appreciation.

SHRI SUSHIL CHAND MOHUNTA: I think, we have appreciated. We have not criticised. We have only suggested that you should expand it further.

SHRI JANARDHAN POOJARI: I am not referring to you. Because I am looking at your face, please do not misunderstand me.

Sir, there was some criticism by some hon. Members that the performance is not at all good. You cannot eulogise the performance...

SHRI RAOOF VALIULLAH: I said it was not spectacular.

SHRI JANARDHAN POOJARI: When they show improvement, let us give their

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due share. When their is good performance, let us say, there has been good performance. I wholly agree with the hon. Member, Shri Jagesh Desai. He referred to earlier predictions when this Bill was introduced. They have gone on record saying that we cannot expect it. But the expectations have come true. Now, we have to accept it. This is a reality. Now, Sir,...

SHRI SUSHIL CHAND MOHUNTA : Fifteen minutes more to go.

SHRI JANARDHAN POOJARI: Sir, so far as investment is concerned, suggestions have been made that we should go to the rural areas and invest in other sectors. We are going in for that. We are investing in other sectors, including the public sector. I made this point. Some hon. Members have said that some investment should be made in the State institutions. Already, this has been made. We will consider that also. The Unit Trust of India will consider it.

Now, I come to the powers of the Chairman. It is not that blanket powers have been given to the Chairman. This is an enabling provision which has been made. This is only to take care of cases of emergency and urgency. But I agree with the suggestion made by hon. Members that guidelines should be issued to the Unit Trust of India in this regard. Here, I would like to point out that every decision will have to be ratified by the Board. It has been laid down that there should be a meeting of the Board at least once in two months. This will be approved by the Board. Hon. Members will agree that control of the Chairman should be there. Of course, action will be taken if he mismanages. As you know, in some other cases, we have taken action; we have removed the Chairman. The Chairman is appointed by the Government of India. If he mismanages, if there is any deficiency, he will not be spared, we will say 'you can go'. As I said, ratification has been provided. Some hon. Members said that there should not be a blanket power and that there should be a limit. As I pointed out, this power would be exercised only in cases of emergency. I can give this assurance to hon. Members.

SHRI JAGESH DESAI: Instead of giving the powers to the Chairman you can give them to the executive committee.

SHRI JANARDHAN POOJARI Sometimes when a good investment is coming forward, the Chairman has to take Immediate action in the interest of the unit holders. After all, let us have some degree of confidence, some trust in him. He is managing the institution and we should not doubt his capacity at every stage. At the same time, he should not misuse...

SHRI SUSHIL CHAND MOHUNTA : Mr. Desai is speaking from the experience of his own party functioning.

SHRI DEBA PRASAD RAY: (West Bengal): You please do not harp on your own experience.

SHRI JANARDHAN POOJARI: It is true that in more than 780 companies investment has been there. It includes the public sector companies also. Some of the hon. Members have made a point that we are writing off the bad debts. One hon. Member made a point that a lot of provision has been made for writing off the bad debts. If you take into consideration the amount that has been provided for writing off the bad debts, it is very negligible considering the big business. We cannot say that the entire amount is blocked. When we file a case in the court and when the amount is recovered, it is added to the income and profit of the Company. If I remember correctly, it is not more than Rs. 44 lakhs. When we consider the investible resources available, there also I can say that criticism cannot be hurled against this institution.

श्री जगदम्बी प्रसाद यादव (बिहार) : ग्रामीण अंचल में इस के द्वारा इंवेस्टमेंट और लोगों द्वारा इसके शेयर परचेजिग, यह दोनों काम नहीं हो रहे हैं। और प्रायः सभी सदस्यों ने इस सवाल को यहां उठाया है। इसके अलावा इसका प्रचार भी ग्रामीण अंचल में नहीं है और लोगों को यूनिट्स भी नही दिये जा रहे हैं। इस के बारे में भी तो आप कुछ प्रकाश डालिये।

SHRI JANARDHAN POOJARI: I have covered that point. You were not there.

Hon. Members have made a point that more branches and more offices should be opened throughout the country and also more business should be secured. If it a very good suggestion and in that direction also steps would be taken. Here also if you take into consideration the expenditure, their performance is laudable. The net expenditure of the Trust for managing its funds and servicing the unit holders is only Rs. 3.12 crores and this represents less than 1.2 per cent of the gross income. The net expenditure in relation to the total funds managed works out to only 0.14 per cent. So, we can say that it is well managed. It does not mean that we should give them full marks. There is scope for improvement. That also should be clearly told.

One more point has been made that in the year 1965 there was a very small number of unit holders, now the number number has gone to 17 lakhs. It is not sufficient, it should be more, and more and more people should be covered. Here also I agree with the hon. Members that we should cover more people and the benefit should be given to more people.

Hon. Member, Shri Kalpnath Rai, nas stated that more publicity should be given in the press, on the T.V., Doordarshan, and All India Radio. Not only that, even it requires more publicity in the rural areas. And more and more people should be told about it.

SHRI JAGESH DESAI: With your permission, Sir, I would like to mention that when this Bill was piloted, the expenses were 5 per cent. Now it is only one per cent.

AN HON. MEMBER: So you approve of it.

SHRI JAGESH DESAI: Yes, of course.

SHRI RAOOF VALIULLAH: One clarification please. If you see the Annual Report, region-wise it shows in the Western region it was 40.6 i nthe Eastern region it was 32.3, in the Southern region it is only 9.8 and in the Nothern region it is 17.3. Will you take steps to see that the units are purchased in the Southern sector and the Northern sector in comparison with the other sectors?

SHRI JANARDHAN POOJARI: It is a very good suggestion and definitely we have to go in that direction and we will definitely take steps to popularise our units in those regions also. Here also whenever there is a deficiency, the hon. Members directly write to me also bringing out the deficiency and we will definitely try to show an improvement.

Also some hon. Members have stated that we are going to make investment in immovable property and that we should not enter into dealings in immovable property, that it should not be the Unit Trust's business. I would like to assure the hon. Members that immovable property is to be purchased not for any other purpose but for the construction of houses and such other constructions. The Unit Trust will not enter into the business of immovable properties or real estate. Not only that, points have been made saying whether we are going to enter the bullion market or gold dealings. Sir, I can tell you that there is no provision here to go in to bullion market. Here I would say that, as the hon. Members have stated even today, investment should be there for the construction of houses, including for weaker sections, that we should protect their interests. I can tell the hon. Members that this will be taken care of and the investment will be for housing and for construction of houses in the rural areas.

SHRI SUSHIL CHAND MOHUNTA: A word about the pavement dwellers also.

SHRI JANARDHAN POOJARI: You know this problem is very acute— this shortage of houses. The Government, as a part of economic measures, is paying thought to that and we have taken steps. You have made a point. You should not get excited. You have said, for the last 38 years nothing has been done. You know the population of India at the time of partition, at the time of Independence, we had a population of 40 crores. That was including the population of Pakistan and East Bengal. (*Interruptions*) One minute, please Today our population is 72 crores. If you compare the population of America and Russia, we talk about their capacity, their strength, we do not talk about our own people's strength and capacity. 72 crore people and some 31 crores—between 28 and 31 crores—are those living below the poverty line. So 72 minus 31—*i.e.* 41 crore. We have been able to give economic strength to these people. Now if you consider the population of America and Russia, it is 26 crores and 22 crores. So we are making much improvement compared to that. For your information, about the growth rate also, we do not say what is the capacity of our workers—the workers who are working in the factory, the farmers who are working in the field and the persons who are working in the streets in other sectors. We say nothing has happened. But let us analyse. For the three consecutive years—1982, 1983 and 1984, let us consider our development. What is our growth rate?

What is the growth rate of the developing countries? It is 1.9 per cent during that period. The growth rate of the developed countries like America, Japan, West Germany is 1.1 per cent. The growth rate of the entire world, average, is from 1.62 to 1.61. And ours is 5 per cent. Why should we belittle oveselves? We have done something. But because of the population we are not in a position to cover within a short time. Thirty-eight years in a democracy is not a long period. You know also that the greatest thing we have done in this country is that we preserved and maintained our freedom and democracy. And this is not even in our neighbours. In Pakistan and in East Pakistan, if you see, and in other countries, that freedom is not there. So, we have done something. Our Indian people have done something. We should be proud of our capacity and the strength of our nation. Then only we can project ourselves to the outside world also. What is happening is that we are belittling ourselves. Let us not do it. We have our capacity. Our people have got the capacity. The persons working in the Government offices everywhere, have got the capacity. Now we have to motivate them. We do not say that it is sufficient. We have to do a lot. Let us go for that. For that, co-operation is required from all the sectors. For that, let us be common partners in this exciting task of nation building.

Thank you very much.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): The question is:

"That the Bill further to amend the Unit Trust of India Act, 1963, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): We shall now take up the clause-by-clause considration of the Bill.

Clauses 2 to 11 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI JANARDHAN POOJARI: I beg to move:

"That the Bill be passed."

The question was put and the motion was adopted.